



ILIM - The week that was – WEEK 18 (ending 01/05/2015)

“ To the man who only has a hammer, everything he encounters begins to look like a nail.” –
Abraham Maslow

Irish Government planning tax cuts and spending increases – The Minister for Finance Michael Noonan announced that the government expects to implement tax cuts and spending increases worth €1.2-1.5bn in October's Budget for 2016 worth 0.6-0.8% of GDP with a 50/50 split between tax cuts and spending rises.

Weak Euro helps Irish exports – Irish export performance has been exceptionally strong in early 2015. Nominal goods exports rose by 15% in the first two months of the year compared with 2014 and by 9% excluding the volatile pharmaceuticals sector. This suggests that the weak euro is helping Irish trade.

Irish residential property rise 0.9% in March – Residential property prices rose by 0.9% nationwide in March, with Dublin residential property prices rising by 1.1%. Residential property prices were up 16.8% on an annual basis.

Greek Finance Minister side-lined for crisis talks – Greek Prime Minister Alexis Tsipras reshuffled the Greek negotiating team by side-lining Finance Minister Yanis Varoufakis and appointing Deputy Foreign Minister Euclid Tsakalotos coordinator of the group negotiating with the EU after clashes the previous week.

German business confidence at ten-month high – The German IFO business sentiment survey indicated that confidence among companies continued to improve in April, rising to a ten-month high.

US GDP growth well below expectations – The US GDP expanded at a marginal 0.2% annualised pace in Q1 2015, well below expectations for a 1.0% gain. Exports fell 7.2% in the quarter. US consumer spending also grew at a disappointing 1.9% annualised rate in Q1 2015, down from 4.4% growth in the previous quarter.

The Story of the week: The Tesla 'Powerwall' house battery should be available at the end of the year and will allow households to take themselves off the power grid during the most expensive times of the day and store excess solar and wind energy. Tesla is better known as a car manufacturer but is obviously diversifying.

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Index Performances and Market Data

Equity Markets (%)	2010	2011	2012	2013	2014	2015 YTD
ISEQ	-3.0	0.6	14.7	35.8	16.8	17.9
FTSE 100	9.0	-5.6	6.0	18.7	0.7	7.9
Euro Stoxx 50	-0.1	-17.7	13.4	21.5	4.0	15.6
S&P 500	12.8	0.0	12.4	32.4	13.7	3.0
Nasdaq	16.9	-1.8	14.1	36.9	14.8	5.7
Nikkei	-3.0	-17.3	16.24	59.4	7.1	11.9
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	10.3
MSCI World	17.2	-7.62	12.1	26.3	10.4	5.9
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.1
German	3.0	1.8	1.4	1.9	0.5	0.4
UK	3.4	2.0	1.9	3.0	1.9	1.9
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	0.9
Italy	4.8	7.1	4.6	4.1	2.1	1.6
Greece	12.5	31.7	12.7	8.2	9.6	10.3
Portugal	6.6	13.4	6.9	6.1	2.7	2.1
Spain	5.5	5.1	5.4	4.1	1.6	1.5
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.11
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.74
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.51
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	TBC
UK	14.5	8.1	2.7	10.7	17.8	TBC
US	14.8	14.5	5.3	11.4	11.2	TBC

*Past performance is not a reliable guide to future performance